

FACT SHEET: GoFundMe - Compliance Context

What is GoFundMe?

- GoFundMe, Inc. was launched 11 years ago in May 10, 2010.
- Created by Brad Damphousse and Andrew Ballester, and headquartered in Redwood City, California.
- URL is www.gofundme.com
- GoFundMe is a *crowdfunding platform* – it is the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the internet.

Is it covered under the PCMLTFA?

- GoFundMe **is not** an MSB because it appears to only offer the transfer of funds **as a corollary of their actual service**, which is to provide a platform that allows individuals to fundraise and engage in a type of private contribution.
- Crowdfunding platforms are not covered under section 5 of the PCMLTFA.
- Compliance has reviewed the GoFundMe website and acknowledged that we do not have a business model related to this company. We do know that GoFundMe transacts mainly via credit card processing.
- As a result, it appears that GoFundMe is not, at this time, engaged as an MSB in Canada, as per the PCMLTFA and its associated Regulations. Consequently, GoFundMe cannot be registered with FINTRAC.
- A quick search by Compliance on the FinCEN, AUSTRAC, UK and Google websites, indicate that GoFundMe does not appear to be registered as an MSB or informal value transfer systems (IVTS) in other countries.

How does GoFundMe operate?

1. Start fundraiser

- Set fundraiser goal
- Tell your story
- Add a picture or video

2. Share with friends

- Send emails
- Send text messages
- Share on social media
- [Watch a video tutorial](#)

3. Manage donations

- Accept donations
- Thank donors
- Withdraw funds

Funding Status

Project	Amount raised	Target amount	Success rate	As of	Date raised	Days raised	Status
Freedom Convoy 2022 - Canada -	\$7,893,526 USD (\$10,003,900 CAD)	\$150000 USD (\$200000 CAD)	5,001.95%	February 2, 2022	January 14, 2022	19	Active

Compliance – Future Implication and Considerations

- In the context of its compliance examinations, FINTRAC assesses the processes, systems and measures regulated entities have in place to identify and mitigate risks related to ML and TF, and to detect and report certain transactions to the Centre.
- To date, Compliance has not seen any examination findings or penalties related to this platform specifically. The requirements under the PCMLTFA and associated regulations are designed to require regulated entities to assess ML/TF risks related to their business operations, including transactional activities and clients, and apply a range of risk-based measures to prevent, detect, and report suspected money laundering and/or terrorist activity financing.
- Where a platform, such as GoFundMe, is transacting with or through entities that are covered under the PCMLTFA, their activities would be subject to the above measures, and reporting entities would be required to monitor their activities and determine, among other things, whether there are reasonable grounds to suspect that transactions or attempted transactions are related to a money laundering or terrorist activity financing offence, and report these to FINTRAC (in a Suspicious Transaction Report).

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- As the legislator, the Department of Finance Canada would be well-placed to inform the members of Parliament on the ML/TF risks associated with crowdfunding platforms, and, at minimum, FINTRAC could benefit from further exploring this together with them.

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